

## FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Tel 847 318-7575  
Fax 847 318-7588



VIA UPS 2<sup>nd</sup> DAY AIR

July 20, 2004

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

RECORDATION NO. 24727-6 FILED

JUL 22 '04 2-56 PM

SURFACE TRANSPORTATION BOARD

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are (3) originals of a Memorandum of Lease Agreement, dated May 24, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 24727.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: BC Rail Partnership  
221 W. Esplanade  
North Vancouver, BC V7M 3J1

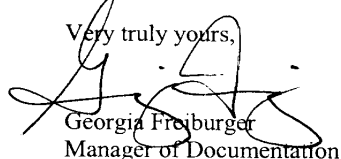
A description of the railroad equipment covered by the enclosed document is forty (40) 50'6" plate C box cars, with NOKL marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,

  
Georgia Frejburger  
Manager of Documentation

Enclosures

(BCR025)

JUL 22 '04 2-56 PM

ASSGN. NO. BCR025

SURFACE TRANSPORTATION BOARD

## MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 24<sup>th</sup> May, 2004, by and between FIRST UNION RAIL CORPORATION ("Lessor"), a North Carolina corporation, and BC RAIL PARTNERSHIP ("Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of July 21, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 17 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as March 24, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

## LESSOR:

FIRST UNION RAIL CORPORATION

NAME: RICHARD F. SEYMOUR  
Vice President Sales & Marketing

TITLE: \_\_\_\_\_

SIGNATURE: Richard F. SeymourExecuted on this 24<sup>th</sup> day of May, 2004.STATE OF ILLINOISCOUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 24<sup>th</sup> day of May, 2004Susan Grokulsky  
Notary Public

My Commission Expires:

8-14-2004  
(Notary Public)

LESSEE:

BC RAIL PARTNERSHIP

NAME: R. Phillips

TITLE: President

SIGNATURE: [Signature]

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2004

PROVINCE OF BRITISH COLUMBIA  
CITY  
DISTRICT OF NORTH VANCOUVER

I, JOAN C. LEIGHTON, a Commissioner of Oaths of the Province and ~~District~~ <sup>CITY</sup>  
aforesaid, certify that R. PHILLIPS personally appeared before me this day and  
acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 6th day of MAY, 2004.

[Signature]  
Commissioner of Oaths

My Commission Expires:

JANUARY 31, 2006

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS: Forty (40).

DESCRIPTION OF CARS: 50'6" long, 222,000 GRL, 1978 build Plate C box cars.

CAR NUMBERS:

NOKL	88233	NOKL	88267
NOKL	88234	NOKL	88268
NOKL	88237	NOKL	88270
NOKL	88238	NOKL	88271
NOKL	88239	NOKL	88274
NOKL	88243	NOKL	88275
NOKL	88244	NOKL	88277
NOKL	88245	NOKL	88280
NOKL	88248	NOKL	88281
NOKL	88249	NOKL	88282
NOKL	88250	NOKL	88285
NOKL	88251	NOKL	88286
NOKL	88253	NOKL	88287
NOKL	88254	NOKL	88289
NOKL	88255	NOKL	88293
NOKL	88256	NOKL	88297
NOKL	88257	NOKL	88299
NOKL	88258	NOKL	88301
NOKL	88260	NOKL	88305
NOKL	88262	NOKL	88315
		<b>Count</b>	<b>40</b>